

15-  
**No. 5714**

IN THE  
**United States Circuit Court of Appeals**  
For the Ninth Circuit

---

LOUIS ONEAL,

VS.

SAN JOSE CANNING COMPANY  
(a corporation),

*Appellant,*

*Appellee.*

---

**BRIEF FOR APPELLEE.**

---

R. M. J. ARMSTRONG,

703 Market Street, San Francisco,

A. SCHAPP,

Hobart Building, San Francisco,

*Attorneys for Appellee.*

FILED

JUN 19 1920



No. 5714

IN THE

# United States Circuit Court of Appeals

For the Ninth Circuit

---

LOUIS ONEAL,

*Appellant,*

VS.

SAN JOSE CANNING COMPANY

(a corporation),

*Appellee.*

---

## BRIEF FOR APPELLEE.

---

For the purpose of explaining appellee's position in the beginning of the packing season of 1922 we offer a brief supplemental statement of fact.

Because appellant's assignors claimed exclusive right, under their patent, to pack beans asparagus style and threatened to enjoin appellee from thus packing beans, appellee applied for and was granted a license to use the so-called Greco device during the year 1922.

Testimony of I. Rancadore, manager of appellee, commencing on page 65 of the record.

"Q. Now, you spoke of a license from the Grecos. From that I understand you mean the owners of the patent that had been issued prior

to that time to Mr. Anthony Greco. That was the Greco you mean?

A. Yes, the Greco patent.

Mr. ARMSTRONG. It will be stipulated, I think, that that is the patent in controversy?

Mr. LINN. Yes.

Mr. ARMSTRONG. Q. At that time did you go out and solicit the use of the patent?

A. Why, yes, I did. I was told, in fact, that both Anthony Greco and Victor Greco claimed that he was the owner of the patent.

Q. Did they come to you or you go to them?

A. I think I went to them. I went to them, and Anthony Greco claimed that he was the owner of the patent, and, in fact, at that time the patent was in dispute, I believe, they had a lawsuit to prove the ownership of the patent at that time, and I personally was convinced through the advice of the attorney of Anthony Greco that Anthony Greco was the owner of the patent, and, if anything, I should do business with Anthony Greco, and not with Victor Greco.

Q. Well, was there any particular reason why you at that time experimented with hand packing?

A. That was in 1922. I had a license for that year.

Q. I am talking about 1922, when you had the license, was there any conversation about your lack of right, with the Grecos—your Honor understands that they were the assignors of the patent.

The MASTER. I understand.

Mr. ARMSTRONG. Q. (continuing.) Was there some conversation with either of them or both of them as to your lack of right to pack beans in bunch form, or asparagus form?

A. Yes.

Q. Can you give the conversation?

A. Mr. Victor Greco threatened that he would stop us whether we packed beans or not, inasmuch as he had a patent on that particular pack, and

nobody could pack string beans, no matter how they put them in the can, that he had a patent that covered that method.

Q. Was that one of the things that moved you to take this license?

A. Naturally, If I knew at that time I had the right to pack them by hand I would never negotiate with anybody when I could do it without taking any license.

Q. These threats came at the beginning of the pack?

A. At the beginning of the pack.

Q. Just when the pack is about to start?

A. Even though I had a license from Victor Greco, Anthony started a restraining order against us that year.

Q. You had some litigation; a suit was filed?

A. Yes.

Q. In the federal court?

A. Yes."

Appellee never made use of the device upon which a license was issued to it but used instead the device patented by witness Rancadore, which device was held to be an infringement on appellant's patented device.

(Testimony of I. Rancadore, continued on page 77 of the Record.)

"Mr. LINN. Q. Then you had a license under the Anthony Greco patent prior to the harvesting of the string beans in 1922?

A. Yes.

Q. You did not start the experiment using Defendant's Exhibit No. 1, until after you had the assignment of the Anthony Greco patent?

A. What do you mean by 'assignment'?

Q. The license.

A. It was during that pack, as soon as we started the pack.



Q. As soon as you started packing you started experimenting with this device or mold which is in evidence as Defendant's Exhibit No. 1?

A. Yes.

Q. At that time you were operating under the Greco license, were you not?

A. I was, but I did not expect to use this. I wanted to satisfy myself whether it could be done by hand, or not.

Mr. ARMSTRONG. Q. Did you satisfy yourself?

A. Yes absolutely.

Mr. LINN. Q. Did you ever use that mold, Defendant's Exhibit No. 1. at all, in the year 1922?

A. Just about half a dozen cans.

Q. For about six cans?

A. Yes.

Q. You discarded it then?

A. Yes, I did not intend to use it because I had a license to pack.

Q. At the same time you were experimenting on another mold?

A. I was experimenting to see if it could be done by hand.

Q. At the same time you were experimenting on another mold which experiments culminated in an application for a patent for a mold in this case. Is that true?

A. Yes. I did not pack with the mold of Anthony Greco, at all; I used my own mold during that year.

Q. During that year?

A. In 1922, I did not use his mold, at all although I had a license; I used my own mold, because I thought it worked easier than the other one.

Q. In 1922, you operated under a license from Anthony Greco?

A. Of \$500, yes.

Q. And you used a mold which you, yourself, or someone in your employ, prepared, and which was subsequently offered for patent?

A. Yes.

Mr. ARMSTRONG. Q. And patent issued?

A. And patent issued.

Mr. LINN. Q. And that was the mold which was the infringing device referred to in this case?

A. Yes.

Q. When, in the year 1922, did you use this device?

A. In July, 1922.

Q. Defendant's Exhibit No. 1 in evidence.

A. In July, 1922.

Q. In July, 1922?

A. Yes.

Q. At that time did you in any way make any comparison of the cost of packing string beans with this mold Defendant's Exhibit No. 1, with the Greco device?

A. I did not because it was not necessary.

Q. You did not?

A. No.

Q. In 1922, or in 1923, did you use either of the devices No. 1 or No. 2 in evidence?

A. No, I did not.

Q. In 1924 did you use either of the devices in evidence?

A. Yes, I did.

Q. Which one?

A. No. 2.

Q. You used No. 2?

A. Yes.

Q. That is in the year 1924?

A. 1925.

The MASTER. How about 1924?

A. In 1924 I was working under my own mold; at the time the suit was pending, I did not want to use this, on account of the threat of being sued, anyway, whether I packed them by hand, or not, so I thought I had better stay with my own mold, because of having a patent on it.

The MASTER. You began to use No. 2 there in 1925?

A. In 1925.

Mr. LINN. Q. You did not experiment any further with mold No. 1?

A. No.

Q. After 1922?

A. No.

Q. You again took up the matter of experimenting with the mold or device other than the Greco patent in the year 1925?

A. In 1925 we used the hand method.

Q. In the year 1925 you developed the mold in evidence as Exhibit No. 2?

A. I would not call that a mold, I would call that more a form to hold string beans.

Mr. ARMSTRONG. He did not develop it.

A. It is not developed, it is the same thing, only I changed the size of the plates."

Appellee was not a deliberate infringer. It worked, during the two seasons under discussion in this hearing, in good faith, with a device invented by its manager Mr. Rancadore, upon which a United States patent had been issued.

---

#### ARGUMENT.

The sole question before the Court is the soundness of the learned Master's ruling that the hand method of packing beans asparagus style, assisted by the measuring device used by appellee during the packing seasons of 1925 and 1926 was a fair standard of comparison upon which to base a computation of the profits to which appellant was entitled by reason of appellee's infringement of appellant's patent. Appellant apparently contends that the method used must have been known, open and available to appellee prior to the date of the infringed patent or at least



must have been a widely known, public notorious method rather than "known and open to defendants."

Appellant opens his argument (Appellant's Brief, p. 5) by a quotation from *American Pneumatic Service Co. v. Snyder*, 241 Fed. 274, in which are briefly cited many various and conflicting statements as the bases of a standard of comparison. From this quotation it would appear that the opinion in which it was found cited them with approval. Such was not the case however. At page 277, after quoting with approval, a lengthy excerpt from *Columbia Wire Co. v. Kokomo Steel and Wire Co.*, 194 Fed. 108, the Court says:

"To my mind, upon principle, and seemingly unopposed by authority except the Turrill case, supra, (*Turrill v. I. C. R. Co.*, 20 Fed. 912), selection of a standard for comparison to ascertain profits is not restricted to unpatented devices, or to such devices or processes as were a part of the art at the date of the patent infringed. The field for selection embraces all that was a part of the art at the time the invention is appropriated, whether patented or not."

Appellee found in 1922 that the hand method of packing, with the assistance of the measuring device (Defendant's Exhibit No. 1) used at that time, was practicable and highly satisfactory. This finding was confirmed when it resorted to that method in the year 1925 and since. The only change made over the 1922 method was a lengthening of the block base of Exhibit No. 1 to facilitate cutting. This change produced Exhibit No. 2 which was thereafter used. As said by the Learned Master in his opinion and order on standard of comparison (Record, p. 137),

“The conclusion therefore follows that the hand packing method of defendant as described and as practiced in the seasons of 1925 and 1926 had been substantially developed by him as early as July, 1922; that he could have used hand packing aided by either Exhibit 1 or Exhibit 2 in the years 1923 and 1924 when he used the infringing mold, and that therefore this hand packing, as practiced, is a proper standard of comparison to be used in this accounting. The fact that there is a slight difference between Exhibit 1 and Exhibit 2 is immaterial. Exhibit 1 could have been used, but the modification by extending the block to facilitate cutting was obvious and a development that ensued naturally as soon as the method was put into practice.”

Appellant makes much of the references to the trial of the hand method in 1922 as an “Experiment.” It apparently was a most successful and convincing experiment for witness Rancadore, (Record p. 85) and the witness Filicie (Record p. 95), agree that the resulting pack was as good or better than with the Greco mold.

While we believe that the statement of Judge Bourquin in *Minerals Separation Co. v. Butte Mining Co.*, 274 Fed. 878, quoted at the top of page 16 of appellant’s brief, states the law as to the rule of comparison we think it would be still clearer if the remainder of his opinion on that point were quoted. Continuing on page 879, the learned Judge says:

“He is not limited in fact to the process of the patent and processes existing only at the date of the patent, and the principle of standards does not require nor sanction that he be so limited in theory. For the advantage he actually gains, and which as profits or savings he must render to the

patentee, is only that of the invention over other processes he might have chosen in lieu of the invention and did not."

"\* \* \* The event to which the Court refers is the infringement, and the time to which it refers is 'then'—at that time, the time of the antecedent event. The Circuit Court of Appeals of the Seventh Circuit has likewise determined in *Columbia etc. Co. v. Kokomo Steel and Wire Co.*, 194 Fed. 108, 114 C. C. A. 186, and Judge Rellstab of the Third Circuit likewise in *American etc. Co. v. Snyder (D. C.)* 241 Fed. 274. To their collation of cases, and to their comment, little can be added."

This Court considered a very similar state of facts in the case of *Dunkley Co. v. Central California Canneries*, 7 Fed. (2nd) 972. At page 975 the Court says:

"It was competent for the parties to offer proof as to the means available to the defendants at the time when the infringement took place, and it was the duty of the master to determine the profit or advantage to the defendants in the case of plaintiff's invention as compared with other means available."

The method of hand packing was certainly well known for it was used for years in the packing of asparagus. Had appellant's method or process claims in his patent been sustained the situation would be different. But they were not, and certainly the obvious hand packing method assisted by a non infringing measuring device, developed long prior to the infringement and so simple that no inventive genius was necessary, was open and available to appellee or any one else who desired to pack beans or any other vegetable "asparagus style" without using the patented mold.



As to the measuring device (Defendant's Exhibit No. 1) witness, Matteo Cusimano, testified as follows: (Record p. 110)

“Q. Mr. Cusimano, in the year 1922, what was your occupation?

A. I was a mechanic and assistant superintendent in the San Jose Canning Company.

Q. When did you first see that block, there, indicating Defendant's Exhibit No. 1.

A. You mean when I saw that?

Q. When did you first see it.

A. I made that.

Q. When did you make that?

A. The latter part of July, I couldn't tell exactly.

Q. What year?

A. In 1922.

Q. For what purpose was that made?

A. The form like that was made to get the quantity of the beans, I understand.

Q. You made that to get the quantity of the beans?

A. The quantity of the beans.

Q. How were the beans to be packed, in what way?

A. Asparagus style.

The MASTER. Q. Who told you to make that?

A. Mr. Rancadore said that he would like to have something of this kind to see how it would work, and I worked it out the best I could. I bent up a couple of pieces of iron.

Mr. ARMSTRONG. Q. Did you see them trying to pack beans, using that mold?

A. Yes.

Q. When was that done?

A. That was the same evening that I had made that.

Q. Did they pack any beans from that mold into cans?

A. They packed a few cans, yes.

Q. How did it work? Were they able to pack?



A. It was satisfactory, as far as I understand from Mr. Rancadore.

Q. They had to lift the beans out of the mold and put them into the can?

A. Yes.

Q. Did they make a good, solid pack?

A. They filled in pretty good.

Q. How about the cutting of the beans. The beans have to be cut, don't they?

A. Yes.

Q. How about the cutting of the ends on that No. 1 mold, that one, there, that you made?

A. The only difficulty is when the knife is dull. If the knife is good and sharp it cuts every one. In fact we had no trouble at that time."

The same witness on cross-examination (Record p. 115):

"Mr. LINN. Q. How long did it take you to prepare this mold?

A. It didn't take me long, I should judge about 30 minutes.

Q. About 30 minutes?

A. Yes."

The Master has found from the evidence adduced, that the method of packing used by appellee in 1925 and 1926 had been substantially developed as early as July, 1922, and that that method could have been used in the years of 1923 and 1924 in which latter years the infringing device was used.

Appellant offered no evidence to the contrary, nor did he show or attempt to show that the use of the infringing machine brought the defendant an advantage or profit other than that found by the Master.

"The burden devolved on plaintiff to show that the use of the infringing machine brought the defendants an advantage and profit."

*Dunkley v. Central Cal. Canneries Co.*, supra, p. 975.

At page 974 the Court says:

“In determining the profits with which a defendant in a patent suit is chargeable, the burden of proof rests upon the plaintiff.”

At page 974 the Court says:

“The findings of the Master in passing on disputed questions of fact are entitled to great respect. Where as in this case, they are approved by the District Court, there is strong presumption that they are correct.” (Citing numerous supporting cases.)

There was nothing secret or unknown about the hand packing method and the measuring device was so simple and obvious that the suggestion of its need caused witness Cusimano “to bend up couple of pieces of iron” (Record p. 110) and on page 115 of the Record “It didn’t take me long, I should judge about 30 minutes.”

The appellee did not, as suggested in appellant’s brief, “work out the new process when caught infringing.” And the fact that the “new” process was known to appellant long before the infringement was testified to by the witnesses Rancadore, Filice and Cusimano, and their testimony stands uncontradicted and was believed by the Master.

---

### CONCLUSION.

It is respectfully submitted that the Master correctly determined that the hand packing process used by appellee gave a proper standard of comparison for the computation of profits. No other proof on

the part of the appellant was offered or submitted by him though the burden of proof on this point rested on him.

It is further respectfully submitted that the judgment of the District Court should be affirmed.

Dated, San Francisco,  
June 19, 1929.

Respectfully submitted,

R. M. J. ARMSTRONG,

A. SCHAPP,

*Attorneys for Appellee.*

